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DECHERT LLP			GRAHAM, CLEMENT B	
P.O. BOX 10004			ART UNIT	
PALO ALTO, CA 94303			PAPER NUMBER	
			3628	
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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/422,114

Applicant(s)

CHURCHILL ET AL.

Examiner

Clement B Graham

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 August 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17, 19-33 and 35-37 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17, 19-33 and 35-37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 8/25/04.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1-17 and 19-33, and 35-37, are remained pending in application.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular there is no relationship between the preamble and the body of the claim, further the claims 1, 8, 11, fail to not produce a useful, concrete and tangible result.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patent ability shall not be negated by the manner in which the invention was made.

4. Claims 1-14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hereinafter Fisher U.S Patent 5,835,896 in view of Brett U.S. Patent 6,704, ,713.

As per claim 1, Fisher discloses an auction system for determining M winning bidder(s) from a plurality of potential bidders for N items(s) of merchandise, comprising: a web server .(See column 4 lines 3-67 and column 6 lines 1-13) an account database (i. e, 'bid database") for maintaining account records with payment units for covering bid prices (see column 6 lines 31-42) a first account ("i. e, groups of accounts records in bid database") record of which being associated with a first bidder (i. e, groups of bidders") and a second account record ("i. e, plurality of accounts records in bid database") of which being associated with a second bidder (i. e, groups of bidders") (See and column

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6 lines 1-67 and column 7 lines 1-5 and column 8 lines 30-40) and an auction server operatively linked to the web server for receiving and processing one or more bids one of which being a first bid with a first bid price from a first bidder (i. e, groups of bidders”) and another one of which being a second bid with a second bid price from the second bidder (i. e, groups of bidders”) (See and column 6 lines 1-67 and column 7 lines 1-5 and column 8 lines 30-40).

Fisher fail to explicitly teach wherein the auction server is configured to reserve payment units covering the first bid price from the first account record if, when received the first bid is deemed valid and the second bid price from the second account record if when received, the second bid is deemed valid.

However Brett discloses if in step 34 the card is determined to be valid and the limit not to be exceeded, then an `authorization only` hold is placed on the registrant's credit card, for an amount specified by the participant. This limit, also stored in the participant database of FIG. 7, will be that registrant/participant's maximum allowable bid during the upcoming open auction. The authorization hold verifies and reserves the payment means for the seller, while limiting unauthorized bids made by agents of the registrant/participant. Referring again to FIG. 3, the registrant is notified that the registration was accepted and then the records are sent to the participant database before the registration is ended.(see column 7 lines 44-67).

Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Fisher to include auction server is configured to reserve payment units covering the first bid price from the first account record if, when received the first bid is deemed valid and the second bid price from the second account record if when received, the second bid is deemed valid taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 2, Fisher discloses wherein, for any bid that is higher than one or both of the first and second bids(see column 3 lines 45-47).

Fisher fail to explicitly the auction server is further configured to unreserve a payment units covering the respective one or both of the first and second bid prices.

However Brett discloses Referring again to FIG. 2, upon auction closing, successful bidders are immediately notified at their terminals and payment is confirmed. The credit cards are debited for the appropriate amounts, and the excess amount from the 'authorization only' hold is released. The tickets are then delivered by any of a number of conventional means. (see column 10 lines 14-19).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher to include an auction server further configured to unreserve a payment units covering the respective one or both of the first and second bid prices taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 3-4, Fisher fail to explicitly teach wherein $M=1$ and $N=1$. (see column 6 lines 4-30).

However Fisher discloses one a database is loaded with information about an item and the item is schedule for presentation to potential bidders and conducting a multi-bidder, interactive auction without using a human auctioneer to conduct the auction. Preferably implemented in software, the electronic auction system allows a group of bidders to interactively place bids over a computer or communications network, automatically records the bids, updates the bidders with the current auction status information, closes the auction from further bidding when appropriate, and notifies the winning bidder or bidders and loser or losers as to the auction outcome. (see column 6 lines 4-30).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that the teachings of Fisher bidders bidding on an item would have been able to perform the function of selecting a winning bidder bidding on an item from potential bidders.

As per claim 5, Fisher and Brett fail to explicitly teach wherein the account records in the account database contain universal points that when earned through one merchant can be redeemed with another merchant.

However redeeming points with another merchant is old and well known in the art of financial transaction because points can be earner for using ones bank card and

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redeemed for example with airlines, car rental, or video stores.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher and Brett to include redeeming points with another merchant because points can be earned for using one's bank card and redeemed for example with airlines, car rental, video stores.

As per claim 6, Fisher and Brett fail to explicitly wherein the first and second bid prices are covered by payment units including incentive points.

However using incentive points as part of the payment to cover the cost of bids would not have affected the true function of the system because incentive points can be redeemable wherever these points are accepted and further the type of payment would not have affected the main function of the system which would have been to collect payments for bids submitted.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher and Brett to include wherein the first and second bid prices are covered by payment units including incentive points because incentive points can be redeemable wherever these points are accepted and further the type of payment would not have affected the main function of the system which would have been to collect payments for bids submitted.

As per claim 7, Fisher fails to explicitly teach wherein the first and second bid prices are payable with money.

However Brett discloses if in step 34 the card is determined to be valid and the limit not to be exceeded, then an 'authorization only' hold is placed on the registrant's credit card, for an amount specified by the participant. This limit, also stored in the participant database of FIG. 7, will be that registrant/participant's maximum allowable bid during the upcoming open auction. The authorization hold verifies and reserves the payment means for the seller, while limiting unauthorized bids made by agents of the registrant/participant. Referring again to FIG. 3, the registrant is notified that the registration was accepted and then the records are sent to the participant database before the registration is ended.(see column 7 lines 44-67).

Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Fisher to include auction server is configured to reserve payment units covering the first bid price from the first account record if, when received the first bid is deemed valid and the second bid price from the second account record if when received, the second bid is deemed valid taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 8, Fisher discloses a auction processing server for allowing a plurality of bidders to bid on at least one item, comprising.(See column 4 lines 3-67 and column 6 lines 1-13) an account database (i. e, 'bid database") an account file containing account records of payment units, where each account record is associated with a bidder (see column 6 lines 31-42)

a web server operative to receive bids from the plurality of bidders via the Internet, where each bid is associated with a bidder-selected number of payments units (See and column 6 lines 1-67 and column 7 lines 1-5 and column 8 lines 30-40) Fisher fail to explicitly teach database server operative to reserve the bidder-selected number of payment units in from the respective bidder's respective account record if the selected number of payment units is available in the-that account record.

However Brett discloses if in step 34 the card is determined to be valid and the limit not to be exceeded, then an 'authorization only' hold is placed on the registrant's credit card, for an amount specified by the participant. This limit, also stored in the participant database of FIG. 7, will be that registrant/participant's maximum allowable bid during the upcoming open auction. The authorization hold verifies and reserves the payment means for the seller, while limiting unauthorized bids made by agents of the registrant/participant. Referring again to FIG. 3, the registrant is notified that the registration was accepted and then the records are sent to the participant database before the registration is ended.(see column 7 lines 44-67).

Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Fisher to include database server operative to reserve the bidder-selected number of payment units in from the respective bidder's respective account record if the selected number of payment units is available in the-that account record taught by Brett

in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 9, Fisher discloses wherein the web server is operative to receive a first bid of first number of payment units from a first bidder (i. e, bidders") and a second bid of a second number of payment units from a second ("i. e, bidders ") (see column 6 lines 4-30)

Fisher fail to explicitly teach wherein the database server is operative to unreserve the first number of payment units from the first bidder's account record if the first bidder if the first number of payment units is lower than the second number of payment units.

However Brett discloses Referring again to FIG. 2, upon auction closing, successful bidders are immediately notified at their terminals and payment is confirmed. The credit cards are debited for the appropriate amounts, and the excess amount from the 'authorization only' hold is released. The tickets are then delivered by any of a number of conventional means. (see column 10 lines 14-19).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher to include wherein the database server is operative to unreserve the first number of payment units from the first bidder's account record if the first bidder if the first number of payment units is lower than the second number of payment units taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 10, Fisher and Brett fail to explicitly teach wherein the payment units contained in the account records include incentive points.

However storing incentive points or data in records is old and well known in the art because the data would have been stored to for example, to effect payment for an item or items bid on during an auction.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher and Brett to include payment units contained in the account records include incentive points because the data would have been stored to for example, to effect payment for an item or items bid on during an auction.

As per claim 11, Fisher discloses the auction server for allowing a plurality of

bidders to bid on at least one item comprising:

wherein each account record ("i. e, plurality of accounts records in bid database") is associated with a bidder for storing payment units(see column 6 lines 31-42) a first logic operative to receive bids from the plurality of bidders, where each bid is associated with a bidder selected number or payments units(see column 6 lines 31-42). Fisher fail to explicitly teach a second logic operative to reserve each bidder's automated maximum number of payment units from respective bidder's account record if the bidder's automated maximum number of payment units is available in that account record an account database with account records that contain points data in encrypted form.

However Brett discloses if in step the card is determined to be valid and the limit not to be exceeded, then an `authorization only` hold is placed on the registrant's credit card, for an amount specified by the participant. This limit, also stored in the participant database of FIG. 7, will be that registrant/participant's maximum allowable bid during the upcoming open auction. The authorization hold verifies and reserves the payment means for the seller, while limiting unauthorized bids made by agents of the registrant/participant. Referring again to FIG. 3, the registrant is notified that the registration was accepted and then the records are sent to the participant database before the registration is ended.(see column 7 lines 44-67).

Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Fisher to include a second logic operative to reserve each bidder's automated maximum number of payment units from respective bidder's account record if the bidder's automated maximum number of payment units is available in that account record taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

Fisher and Brett fail to explicitly teach an account database with account records that contain points data in encrypted form.

However storing data in encrypted form is old and well known in the art because encryption of data would have been stored in order to provide authorized access or authorization to personnel with decryption capabilities.

Therefore it would have been obvious to one of ordinary skill in the art at the time

the invention was made to modify the teachings of Fisher and Brett to include an account database with account records that contain points data in encrypted form because encryption of data would have been stored in order to provide authorized access or authorization to personnel with decryption capabilities.

As per claim 12, Fisher discloses wherein the web server is operative to receive a first bid of first number of payment units from a first bidder (i. e, bidders") and a second bid of a second number of payment units from a second ("i. e, bidders ") (see column 6 lines 4-30)

Fisher fail to explicitly teach wherein the second logic is further operative to unreserve the first bidder's number of payment units from the account record of the first bidder if the first number of payment units is lower than the second number of payment units.

However Brett discloses Referring again to FIG. 2, upon auction closing, successful bidders are immediately notified at their terminals and payment is confirmed. The credit cards are debited for the appropriate amounts, and the excess amount from the `authorization only` hold is released. The tickets are then delivered by any of a number of conventional means. (see column 10 lines 14-19).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher to include wherein the second logic is further operative to unreserve the first bidder's number of payment units from the account record of the first bidder if the first number of payment units is lower than the second number of payment units taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 13, Fisher discloses wherein the first logic is further operative to receive a first bid of a first number of payment units from a first bidder (i. e, bidders") and a second bid of a second number of payment units from a second bidder (i. e, bidders") (see column 6 lines 4-30).

Fisher fail to explicitly teach wherein the second logic is further operative to unreserve the first bidder's automated bidder maximum number of payment units from the account record of the first bidder if the first number of payment units is less-lower

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than the second number of payment unit.

However Brett discloses Referring again to FIG. 2, upon auction closing, successful bidders are immediately notified at their terminals and payment is confirmed. The credit cards are debited for the appropriate amounts, and the excess amount from the 'authorization only' hold is released. The tickets are then delivered by any of a number of conventional means. (see column 10 lines 14-19).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher to include wherein the second logic is further operative to unreserve the first bidder's automated bidder maximum number of payment units from the account record of the first bidder if the first number of payment units is less-lower than the second number of payment unit taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

As per claim 14, Fisher fail to explicitly teach wherein the second logic is further operative to unreserve the difference between a bid determined at the close of bidding and the automated maximum number of payment units for the bidder with the winning bid if the bid is lower than the that bidder's automated maximum number of payment units.

However Brett discloses Referring again to FIG. 2, upon auction closing, successful bidders are immediately notified at their terminals and payment is confirmed. The credit cards are debited for the appropriate amounts, and the excess amount from the 'authorization only' hold is released. (see column 10 lines 14-19).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher to include wherein the second logic is further operative to unreserve the difference between a bid determined at the close of bidding and the automated maximum number of payment units for the bidder with the winning bid if the bid is lower than the that bidder's automated maximum number of payment units taught by Brett in order to conduct real time auction of tickets to sporting and entertainment events.

5. Claims 15-17 and 27-28, are rejected under 35 U.S.C. 103(a) as being unpatentable over Fisher U.S Patent 5,835,896 in view of Hereinafter Copple U.S Patent 6,178,408.

As per claims 15-17, Fisher discloses a database ("i. e, bid database") (see column 6 lines 31-45).

Fisher fail to explicitly teach storing a first account representing a number of incentive points awarded to a first user and a second account representing a number of incentive points awarded to a second user, and each account also storing information relating to date or time period during which incentive points were earned, communications port operatively connected to the first user and the second user; a computer program or programs taking as input bids received from the first user and the second user through the communications port, each bid constituting a number of incentive points and relating to an item being auctioned, said program (a) checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, (b) storing information identifying the current high bid, (c) reserving a number of points equal to the current high bid from the account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, (d) unreserving reserved points higher bid is received and validated, (e) at the end of the auction, awarding the item to the user with the highest bid at that point, and (f) subtracting the number of points representing the winning bid from the account of the user who submitted the winning bid and wherein said computer program or programs use the date or time period information to cause incentive points to be removed from user accounts once a certain period of time has elapsed from awarding of such points .

However Copple disclose the consumer is first presented with a query as to whether the consumer wishes to complete the registration/log on procedures. If the consumer responds in the negative, the consumer is then referred to non-auction related options that might be presented on the same web page. For example, the web page may have other promotional games or promotional information regarding the retail product. The page might also have information regarding a traditional prior art redemption program such as a selection of promotional items available by redemption

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of a fixed number of points. If the consumer affirmatively selects to continue with the registration/log on procedure, the consumer is next provided with the option to either register or log on. A first time user would select the register option, which requires that the user input his name, e-mail address, e-mail name, and personalized log on password. The user may also be asked to provide information that might be useful in developing user profiles, such as the user's birthday, gender, residence zip code, and certain household information.

All of the information provided during the registration step is stored in a user database and thereafter associated with the user's account (See column 4 lines 58-67 and column 5 lines 1-20) and said program checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, storing information identifying the current high bid, reserving a number of points equal to the current high bid from the account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, unreserving reserved points higher bid is received and validated at the end of the auction, awarding the item to the user with the highest bid at that point, and subtracting the number of points representing the winning bid from the account of the user who submitted the winning bid. (See column 4 lines 5-65).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that the teachings of Fisher to include storing a first account representing a number of incentive points awarded to a first user and a second account representing a number of incentive points awarded to a second user, and each account also storing information relating to date or time period during which incentive points were earned, communications port operatively connected to the first user and the second user; a computer program or programs taking as input bids received from the first user and the second user through the communications port, each bid constituting a number of incentive points and relating to an item being auctioned, said program (a) checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, (b) storing information identifying the current high bid, (c) reserving a number of points equal to the current high bid from the

account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, (d) unreserving reserved points higher bid is received and validated, (e) at the end of the auction, awarding the item to the user with the highest bid at that point, and (f) subtracting the number of points representing the winning bid from the account of the user who submitted the winning bid and wherein said computer program or programs use the date or time period information to cause incentive points to be removed from user accounts once a certain period of time has elapsed from awarding of such points taught by Copple in order to document each user and their points awarded for accuracy when comparing information.

As per claims 27-28, Fisher discloses a point-based auction system comprising: a database ("i. e, bid database") (see column 6 lines 31-45).

Fisher fail to explicitly teach a first account representing a number of incentive points awarded to a first user and a second account representing a number of incentive points awarded to a second user, wherein all-the incentive points are maintained in encrypted form, a communications port operatively connected to clients associated with the first user and the second user, respectively; a processor; and a memory embodying a computer program operative for taking as input reserve amounts and bids received from the first user and the second user through the communications port, each reserve amount representing a maximum number of the incentive points reserved for an auction, each bid constituting a number of incentive points and being related to an item being auctioned, said computer program being further operative having program instructions for causing the processor to perform the steps of: (a) checking each reserve amount against the database to confirm that the user submitting the bid owns at lest the number of incentive points specified in the respective reserve amount, (b) for each reserve amount, subtracting that reserve amount from a respective user's account, (c) checking each bid against the database to confirm that the amount in the bid is lower than the amount in the reserve amount associated with the bid, (d) storing information identifying the current high bid, (e) unreserving the reserve amount once a higher bid is received and validated, (f) at the end of the auction, awarding the item to the user with the highest bid at that point, and

(g) removing any unredeemed incentive points whose time has expired.

However Copple disclose the consumer is first presented with a query as to whether the consumer wishes to complete the registration/log on procedures. If the consumer responds in the negative, the consumer is then referred to non-auction related options that might be presented on the same web page. For example, the web page may have other promotional games or promotional information regarding the retail product. The page might also have information regarding a traditional prior art redemption program such as a selection of promotional items available by redemption of a fixed number of points. If the consumer affirmatively selects to continue with the registration/log on procedure, the consumer is next provided with the option to either register or log on. A first time user would select the register option, which requires that the user input his name, e-mail address, e-mail name, and personalized log on password. The user may also be asked to provide information that might be useful in developing user profiles, such as the user's birthday, gender, residence zip code, and certain household information.

All of the information provided during the registration step is stored in a user database and thereafter associated with the user's account (See column 4 lines 58-67 and column 5 lines 1-20) and said program checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, storing information identifying the current high bid, reserving a number of points equal to the current high bid from the account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, unreserving reserved points higher bid is received and validated at the end of the auction, awarding the item to the user with the highest bid at that point, and subtracting the number of points representing the winning bid from the account of the user who submitted the winning bid. (See column 4 lines 5-65).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that the teachings of Fisher to include a first account representing a number of incentive points awarded to a first user and a second account representing a number of incentive points awarded to a second user, wherein all-the

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incentive points are maintained in encrypted form, a communications port operatively connected to clients associated with the first user and the second user, respectively; a processor; and a memory embodying a computer program operative for taking as input reserve amounts and bids received from the first user and the second user through the communications port, each reserve amount representing a maximum number of the incentive points reserved for an auction, each bid constituting a number of incentive points and being related to an item being auctioned, said computer program being further operative having program instructions for causing the processor to perform the steps of: checking each reserve amount against the database to confirm that the user submitting the bid owns at least the number of incentive points specified in the respective reserve amount, for each reserve amount, subtracting that reserve amount from a respective user's, checking each bid against the database to confirm that the amount in the bid is lower than the reserve amount associated with the bid, storing information identifying the current high bid, unreserving the reserve amount once a higher bid is received and validated, at the end of the auction, awarding the item to the user with the highest bid at that point, and removing any unredeemed incentive points whose time has expired taught by Copple in order to document each user and their points awarded for accuracy when comparing information.

6. Claims 19-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fisher U.S. Patent 5,835,896 in view of Walker et al (Hereinafter Walker U.S. Patent 6,113,495) in view of Copple (Hereinafter Copple U.S. Patent 6,178,408).

As per claims 19-22, Fisher disclose a network computer system, an auction method comprising: providing a database("i. e, bid database") (see column 6 lines 31-45) with a plurality of accounts for holding incentive points in encrypted form accessible through a communication port for storing a plurality of accounts.(See column 2 lines 35-65 and column 4 lines 50-65 and column 5 and 6 lines 5-65).

Fisher fail to explicitly teach, removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points.

However Walker discloses removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points. (See column 15 lines 55-65).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Fisher to include removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points taught by Walker in order to cover bids requested.

Fisher and Walker fail to explicitly teach awarding a quantity of incentive points to a first user, including adding the first quantity to a first one of the stored accounts of first user incentive points, awarding a quantity of incentive points to a second user, including adding the quantity to a second one of the stored accounts of second user incentive points and initiating an on-line auction for an item, including specifying a minimum number of incentive points required for an opening bid, receiving a first bid from the first user through the communications port; the first bid is less than the minimum number, comparing the first bid against the number of unreserved incentive points in the first stored account and rejecting the first bid if the first bid is greater than the number of unreserved incentive points in the first stored account, if the first bid has not been rejected, storing an indication that the first bid is the current high bid and reserving a number of incentive points in the first stored account equal to the amount of the first bid; receiving a second bid from the second user through a communications port; comparing the second bid against the current high bid and rejecting the first bid if the first bid is less than the current high bid; comparing the second bid against the number of unreserved incentive points in the second stored account and rejecting the second bid if the second bid is greater than the number of unreserved incentive points in the second stored account; (k) if the second bid has not been rejected, storing an indication that the second bid is the current high bid, reserving a number of incentive points in the second stored account equal to the amount of the second bid, and unreserving the first account points previously reserved in step

- (1) after receipt of n number of additional bids, closing the auction; and

(m)awarding the item to the user who submitted the highest valid bid as of the close of the auction and deleting from that user's account that number of points reserved in that account as a result of that bid.

However Copple discloses points may be collected by consumers removing coupons from retail products, such as food containers or packages. Each coupon represents a given number of points which are collected and redeemed for promotional items. The retail product package will generally have some promotional material affixed to the package alerting the consumer to the collectible coupons and directing the consumer to an internet web page for more information on promotional items and the redemption of collected points, points might also be collected and credited in a number of different ways, however, depending on the promoter's field of business. For example, points could be gathered electronically when a consumer purchases products or services over the internet and automatically credited to the consumer's point account.

Points could be collected by a consumer for mail order purchases through a retail catalog. Points could also be earned and credited based on purchases from a participating service, retailer, or store with a participating credit, debit, or other charge card. It should be understood that, while one embodiment of the invention relates to points collected as a result of a consumer's purchase of retail products, the methods by which the consumer can collect points as applied to the invention are varied and unlimited.(see column 3lines 64-67 and column 4 lines 1-67 and column 5 lines 1-30.

However removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points is old and well known in the art because points would be needed to be removed from the once the said points are used.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that the teachings of Fisher and Walker to include awarding a quantity of incentive points to a first user, including adding the first quantity to a first one of the stored accounts of first user incentive points, awarding a quantity of incentive points to a second user, including adding the quantity to a second one of the stored accounts of second user incentive points and initiating an on-line auction for an item,

including specifying a minimum number of incentive points required for an opening bid, receiving a first bid from the first user through the communications port; the first bid is less than the minimum number, comparing the first bid against the number of unreserved incentive points in the first stored account and rejecting the first bid if the first bid is greater than the number of unreserved incentive points in the first stored account, if the first bid has not been rejected, storing an indication that the first bid is the current high bid and reserving a number of incentive points in the first stored account equal to the amount of the first bid; receiving a second bid from the second user through a communications port; comparing the second bid against the current high bid and rejecting the first bid if the first bid is less than the current high bid; comparing the second bid against the number of unreserved incentive points in the second stored account and rejecting the second bid if the second bid is greater than the number of unreserved incentive points in the second stored account; (k) if the second bid has not been rejected, storing an indication that the second bid is the current high bid, reserving a number of incentive points in the second stored account equal to the amount of the second bid, and unreserving the first account points previously reserved after receipt of n number of additional bids, closing the auction; and awarding the item to the user who submitted the highest valid bid as of the close of the auction and deleting from that user's account that number of points reserved in that account as a result of that bid taught by Copple in order to document each user and their points awarded for accuracy when comparing information.

7. Claims 23-26, are rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al (Hereinafter Copple U.S Patent 6,178,408) in view of Walker et al (Hereinafter Walker U.S. Patent 6, 113, 495) in further view of.

As per claim 23-26, Copple fail to explicitly teach a system comprising:
a first database including a first entry representing a number of incentive points held by a first user, a second entry representing a number of incentive points held by a second user, a third entry representing a number of incentive points held by the first user which are currently reserved and a fourth entry representing a number of incentive points held by the second user which are currently reserved;

a second database including a first entry representing a first item to be auctioned and a second item to be auctioned;

means for adding incentive points to the first entry when the first user performs actions for which incentive points are awarded and for adding incentive points to the second entry when the second user performs actions for which incentive points are awarded;

means for adding incentive points to the third entry when the first user submits a valid high bid in an auction and for adding incentive points to the fourth entry when the second user submits a valid high bid in an auction;

However Copple disclose the consumer is first presented with a query as to whether the consumer wishes to complete the registration/log on procedures.

If the consumer responds in the negative, the consumer is then referred to non-auction related options that might be presented on the same web page. For example, the web page may have other promotional games or promotional information regarding the retail product. The page might also have information regarding a traditional prior art redemption program such as a selection of promotional items available by redemption of a fixed number of points. If the consumer affirmatively selects to continue with the registration/log on procedure, the consumer is next provided with the option to either register or log on. A first time user would select the register option, which requires that the user input his name, e-mail address, e-mail name, and personalized log on password. The user may also be asked to provide information that might be useful in developing user profiles, such as the user's birthday, gender, residence zip code, and certain household information.

All of the information provided during the registration step is stored in a user database and thereafter associated with the user's account (See column 4 lines 58-67 and column 5 lines 1-20) and said program checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, storing information identifying the current high bid, reserving a number of points equal to the current high bid from the account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, unreserving reserved points higher bid is received and validated at the end of the auction, awarding

the item to the user with the highest bid at that point, and subtracting the number of points representing the winning bid from the account of the user who submitted the winning bid. (See column 4 lines 5-65).

Copple fail to explicitly teach means for deleting incentive points from the third entry when a valid bid is received which is higher than the high bid previously submitted by the first user, and for deleting incentive points from the fourth entry when a valid bid is received which is higher than the high bid previously submitted by the second user; and means for removing any unredeemed incentive points from entries in the first database whose time has expired.

However Walker discloses removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points. (See column 15 lines 55-65 and column 2 lines 32- 67 and column 3 lines 1-48).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Copple to include means for deleting incentive points from the third entry when a valid bid is received which is higher than the high bid previously submitted by the first user, and for deleting incentive points from the fourth entry when a valid bid is received which is higher than the high bid previously submitted by the second user; and means for removing any unredeemed incentive points from entries in the first database whose time has expired taught by Walker in order to accurately release points back to the accounts of losers in the auction.

As per claims 29-33, 35-37, Copple fail to explicitly teach a method comprising:

(a) providing a computer database accessible through a communication port for receiving bids from users and for storing maintaining a plurality of accounts that hold holding incentive points in encrypted form;

(b) awarding a quantity of incentive points to a first user, including adding that quantity to a first one of the accounts associated with the first user incentive;

(c) awarding a quantity of incentive points to a second user, including adding that quantity to a second one of the accounts associated with the second user;

(e) initiating an on-line auction for an item, including specifying a minimum

number of incentive points required for an opening bid;

(f) receiving a first bid from the first user;

(g) comparing the first bid against the minimum number and rejecting the first bid if it is lower than the minimum number; and

(h) comparing the first bid against the number of incentive points in a-the first one of the accounts and rejecting the first bid if it is higher than the number of incentive points in that account.

However Copple disclose the consumer is first presented with a query as to whether the consumer wishes to complete the registration/log on procedures.

If the consumer responds in the negative, the consumer is then referred to non-auction related options that might be presented on the same web page. For example, the web page may have other promotional games or promotional information regarding the retail product. The page might also have information regarding a traditional prior art redemption program such as a selection of promotional items available by redemption of a fixed number of points. If the consumer affirmatively selects to continue with the registration/log on procedure, the consumer is next provided with the option to either register or log on. A first time user would select the register option, which requires that the user input his name, e-mail address, e-mail name, and personalized log on password. The user may also be asked to provide information that might be useful in developing user profiles, such as the user's birthday, gender, residence zip code, and certain household information.

All of the information provided during the registration step is stored in a user database and thereafter associated with the user's account (See column 4 lines 58-67 and column 5 lines 1-20) and said program checking each bid against the database to confirm that the user submitting the bid owns at least the number of points specified in the bid, storing information identifying the current high bid, reserving a number of points equal to the current high bid from the account of the user who submitted that bid such that those points may not be used for any other purpose until unreserved, unreserving reserved points higher bid is received and validated at the end of the auction, awarding the item to the user with the highest bid at that point, and subtracting the number of

points representing the winning bid from the account of the user who submitted the winning bid. (See column 4 lines 5-65 and column 6 lines 5-57).

Copple fail to explicitly teach (d) removing incentive points from the first and second accounts a redeemed within a period of time has elapsed from after the awarding of such points.

However Walker discloses removing incentive points from the first and second stored accounts once a certain period of time has elapsed from the awarding of such points. (See column 15 lines 55-65 and column 2 lines 32- 67 and column 3 lines 1-48).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Copple to include removing incentive points from the first and second accounts a redeemed within a period of time has elapsed from after the awarding of such points taught by Walker in order to accurately release points back to the accounts of losers in the auction.

Response to Arguments

8. Applicant 's arguments filed on 08/25/2004 are moot in view of the new grounds of rejections.

Conclusion

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

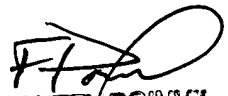
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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

April 17, 2005


FRANCIS PONGUL
PRIMARY EXAMINER
Au 3628